

**New Hampshire Community Development Finance Authority
DRAFT CDBG-R Substantial Amendment to the 2008 Action Plan
Community Development Block Grant (CDBG) Program
Under the American Recovery and Reinvestment Act of 2009**

**Proposed Substantial Amendment**

The State of New Hampshire through the Community Development Finance Authority (CDFA) intends to Substantially Amend its 2008 Action Plan to allow for the use of the supplemental CDBG (CDBG-R) funds available under the American Recovery and Reinvestment Act of 2009 (the Act). The Substantial Amendment will be submitted to the U.S. Department of Housing and Urban Development (HUD) on or before June 29, 2009. Notification of the public hearing was posted on the CDFA website at www.nhcdfa.org on May 13, 2009, as well as in the following newspapers: Union Leader, Concord Monitor, and Foster's Daily Democrat on May 14, 2009. The DRAFT Substantial Amendment was posted on the CDFA website on May 22, 2009, to allow for a seven-day comment period following the public hearing.

Any comments regarding this proposed process for distribution of CDBG-R funds should be submitted to gparadise@nhcdfa.org by 12:00 noon, Wednesday, June 3, 2009.

Citizen Participation and Language Access

CDFA is holding a public hearing on May 26, 2009 at 2:00 P.M. at the New Hampshire Local Government Center, 25 Triangle Park Drive, Concord, NH to solicit comments on the Draft CDBG-R Substantial Amendment to the 2008 Action Plan. The Draft CDBG-R Substantial Amendment is available for download at <http://www.nhcdfa.org>. If you would like to request a printed copy, need directions to the hearing or have special needs to be accommodated at the hearing please call 603/717-9114 or email gparadise@nhcdfa.org

CDGB Program Description

The CDBG program enables local governments to undertake a wide range of activities intended to create suitable living environments, provide decent affordable housing, and create economic opportunities primarily for low- and moderate-income persons. In general, CDFA's normal CDBG program rules and policies will apply to the implementation of projects funded under the CDBG-R program. Exceptions to the regular CDBG rules used by CDFA will include expanded grantee reporting requirements and compliance with "Buy American" requirements for contractors. The CDBG-R funds will be awarded in a manner consistent the State of New Hampshire Consolidated Plan of 2006-2010 and the 2008 Action Plan including the method of distribution, method of allocation, activities, and priorities as listed below:

- It can be expected that requests for Community Development Block Grant funds will exceed the total amount available. The limited resources of the CDBG Program require

the setting of program priorities so that the merits of all applications can be measured. Priority will be given to applications which address as many of the following nine factors as appropriate:

- those projects and activities which provide direct benefit in the form of improved housing, public facilities, and employment opportunities to low- and moderate-income individuals and households;
- those community development activities for which existing public or private programs or sources of funds are not otherwise available;
- those activities which preserve and promote existing neighborhoods and community centers, i.e. "Smart Growth";
- those activities which protect and preserve historically- and culturally-valuable structures and sites;
- those projects and activities which successfully raise or match dollars and resources from other public and private sources;
- those projects which solve community problems with long-term benefit and innovative solutions;
- those activities which eliminate slums and blight;
- those projects which are part of a long-range community development strategy, conform to the municipality's master plan and ordinances, and implement the municipality's housing and community development plan; and
- those projects that utilize energy efficiency and/or conservation measures including compliance with New Hampshire Energy Codes.

Proposed Timeframe for the Substantial Amendment

The deadline for submitting a Substantial Amendment to HUD for the CDBG-R funds is June 29, 2009. The Final Guidance deadline issued by HUD restricts CDFA's ability to identify a new method of distribution, and requires that all activities/projects be identified in the Substantial Amendment. Therefore, CDFA intends to award 50% to Economic Development projects and 50% to Housing and Public Facility projects, after the set-aside for CDFA Program Administration.

Additionally, the Notice of Federal Requirements states that any project awarded prior to the submission of the Substantial Amendment to HUD under development for the 2009 program year, or any project in development as part of CDFA's original method of distribution and that meets the guidelines can be awarded under CDBG-R.

Priorities for CDBG-R Awards

CDFA will review and award CDBG-R funds to projects that will allow CDFA to comply with the following requirements set by the American Recovery and Reinvestment Act of 2009. These include but are not limited to:

- Priority will be given to projects that can be awarded by June 19, 2009. This will ensure that CDFA meet the goal set by HUD of using 50% of the funds for activities that can be

initiated not later than 120 calendar days after February 17, 2009, the date the American Recovery and Reinvestment Act of 2009 was signed into law by President Obama.

- Priority will be given to projects that can sign construction contracts, based on bids within 120 calendar days from the date of CDFA Community Development Advisory Committee award approvals.
- Priority will be given to activities that can be started and completed expeditiously.
- Priority will be given to projects that preserve and create jobs and promote economic recovery. CDFA will give priority to those applicants who are able to demonstrate a significant number of full- or part-time, temporary or permanent construction jobs (or other jobs) to be created or retained.
- Priority will be given to projects that will assist in business expansion/job creation through infrastructure improvements in a community.
- Priority will be given to projects that provide energy efficiency upgrades to benefit low- and moderate-income persons. CDFA will give priority to those applicants who demonstrate that their project was designed and will be implemented to increase economic efficiency. Consideration will be given to any cost saving measures taken by the applicant during project construction as well as any long-term cost savings accruing to designs to reduce operation and maintenance costs.
- Priority will be given to projects with infrastructure activities that support the provision of housing to low- and moderate-income households. CDFA will give priority to projects that demonstrate the ability to complete housing development/rehabilitation and accomplish occupancy within 18 months from date of award.

Eligible Applicants

Eligible applicants include all Non-Entitlement municipalities and counties, which includes 229 incorporated New Hampshire municipalities and the ten county governments. Five New Hampshire cities (Dover, Manchester, Nashua, Portsmouth, and Rochester) are currently eligible to receive funds directly from HUD under the Metropolitan Cities CDBG entitlement program and, therefore, are not eligible under the state administered State CDBG program.

In general, applications for activities that are eligible under the regular CDBG program will be eligible under the CDBG-R program.

All projects must meet the CDBG National Objectives of benefiting low- and moderate-income persons, and demonstrate that other financial resources are not available to meet such needs.

Ineligible Activities

Applicants may not request funds to reimburse expenses incurred for design or other activities completed prior to grant award.

As provided in Section 1604 of the Act, "None of the funds appropriated or otherwise made available in this Act may be used by any State or local government, or any private entity, for any casino or other gambling establishment, aquarium, zoo, golf course, or swimming pool."

Funding Amounts

Total Funding: \$2,462,647

CDFA Program Administration (10%): \$246,265.00

Funds available for Economic Development: \$1,108,191

Funds available for Housing & Public Facilities: \$1,108,191

The maximum grant amount is \$500,000.

Additional Information

Additional information about the recovery funds can be found on the HUD website at the following link: <http://www.hud.gov/recovery/>

For more information about CDFA's CDBG-R program, please call 603-717-9114 or visit the CDFA website at: <http://www.nhcdfa.org>